



AR22




THE SNC GROUP

ANNUAL REPORT 1977



## SNC worldwide

In 1977 members of The SNC Group contributed to projects or studies in 44 countries.

Algeria  
Argentina  
Belgium  
Bangla Desh  
Barbados  
Bénin  
Bolivia  
Brazil  
Canada  
Chile  
Colombia  
Cuba  
Dominica  
Ecuador  
Egypt  
Eire  
France  
Germany  
Hawaii  
Holland  
Iran  
Ivory Coast  
Japan  
Madagascar   
Malawi  
Mali  
Morocco  
Nicaragua  
Niger  
Nigeria  
Peru  
Poland  
Romania  
Saudi Arabia  
Senegal  
South Korea  
Spain  
Thailand  
Tunisia  
Turkey  
United Arab Emirates  
United States  
Upper Volta  
Yugoslavia





# Table of contents

Highlights	1
Report to shareholders	4
List of directors and corporate executives	9
Report on operations	10
Auditors' report	23
Financial statement	24
Notes to financial statement	27
A ten-year summary	31
List of companies of The SNC Group	32

## Highlights

Adjusted to take into account a two to one share split in 1977.

	1977	1976
Net sales	\$85,192,765	\$73,098,545
Net income for the year	\$ 3,210,262	\$ 3,058,610
Earnings per common share	\$1.10	\$1.07
Return on shareholders' equity	22.36%	25.30%
Book value per share	\$5.31	\$4.61
Working capital	\$15,146,872	\$12,614,090
Cash flow from operations	\$ 4,048,237	\$ 3,105,811

## A Canadian company, a citizen of the world

---

Since it was founded early in this century, The SNC Group has been dedicated to excellence and integrity — first in engineering, later in all the professions, trades and vocations that grew about its technical core as the scope of the company's projects broadened. From the earliest days, The SNC Group set out to attract the best talent of our own and other nations. Today its 2,200 strong team is drawn from all regions of Canada and all parts of the world.

This cultural and professional diversity has been the key to the successful marketing of The SNC Group's services across Canada and in some 65 countries abroad. By blending North American technology and management methods with its own multicultural heritage, it has succeeded in creating a unique package of skills and services to realize the needs of its clients worldwide. It provides this package through a diversified, employee-owned Canadian company committed to a responsible role in society both nationally and internationally. That company is The SNC Group. **SNC**

---

These Saudi Arabian schoolboys are among the 300,000 people who will benefit from an electrification project undertaken by The SNC Group in the El Qasim region.







## Report to shareholders

In 1977 The SNC Group marked an anniversary. In 1967 we formed SNC Enterprises Ltd., as the holding company for a small cluster of subsidiaries, and extended the potential opportunity for share ownership to all employees. It was then that we began to implement our first five year plan. That plan reflected several important decisions: to reorganize the company along democratic lines; to develop new skills and services tailored to clients' needs; to diversify, to expand across Canada and to market abroad.

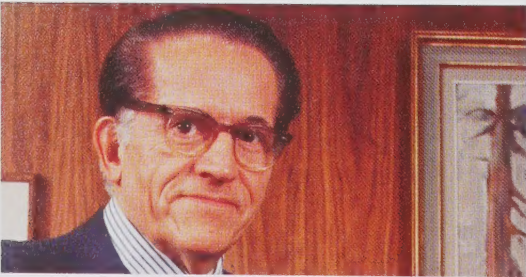
We can now look back on a decade of achievement in which we met and surpassed our objectives. Our staff has almost quadrupled and our sales volume is ten times as great. We have five times the number of subsidiaries and affiliates, many in specialized fields. We are represented across Canada, in the United States and in several countries abroad. Because of this growth, SNC Enterprises Ltd. increased its authorized share capital and in 1977 split its common shares on a two to one basis. Revenue per share in 1967 was \$0.04; at the end of 1977 it was \$1.10.

**A Canadian success story.** These figures tell a corporate success story. The many large, technically advanced and complex projects executed by The SNC Group at home and abroad during those ten years prove that Canadians, working together, can compete anywhere in the world. Before 1967 SNC had grown and diversified through the development of Canada's resources. Since 1967 we have continued to do so while successfully marketing the skills acquired in Canada to other countries. Our overseas work generated the export of millions of dollars worth of goods and equipment.

In achieving success abroad, the fact that we were Canadians was a strong selling point. Among those characteristics that we in The SNC Group have found an asset is the ability to work in English or French and in many other languages. Others are a detached viewpoint and an open attitude to other cultures. Coming from a country still developing its last frontiers, where industrialization and urbanization were recent, we can understand the problems of countries now undergoing a similar evolution.

**Change: a chance to create.** Today, as a company built on Canadian foundations, we face a new challenge. So does our country. We believe that the problems of unity can be solved. Together, Canadians of different backgrounds have met and surmounted challenges before, and done so imaginatively and creatively. Challenge, after all, is only another name for opportunity: a chance to explore, a chance to invent, a chance to grow.

Growth, however, means change. This belief is based on our own practical experience. SNC was founded and grew in Canada's two cultural mainstreams. Convinced that different cultures would introduce new viewpoints and create a stronger



Camille A. Dagenais,  
Chairman  
and Chief Executive Officer.

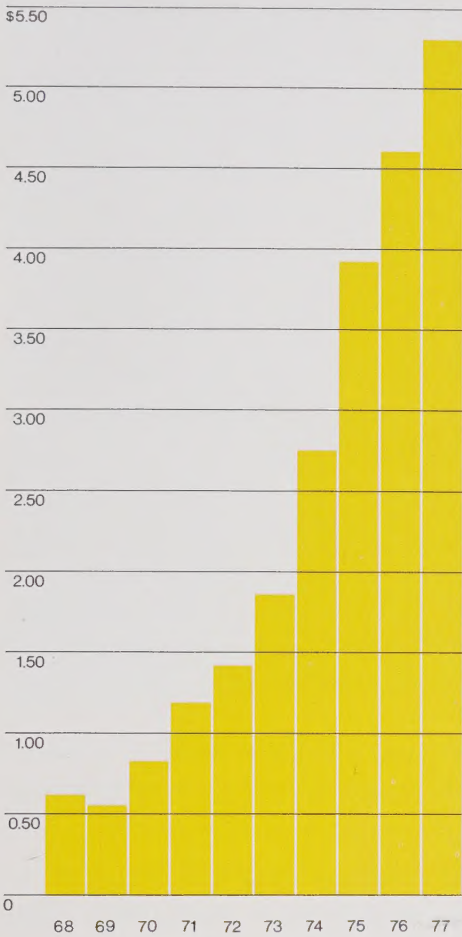


Jean-Paul Gourdeau,  
President  
and Chief Operating Officer.



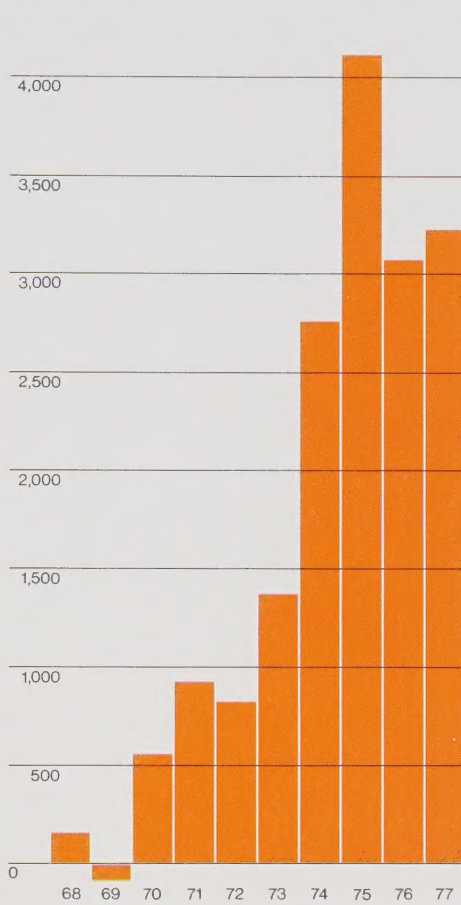
## Book value per share

Adjusted to take into account a two to one share split in 1977.



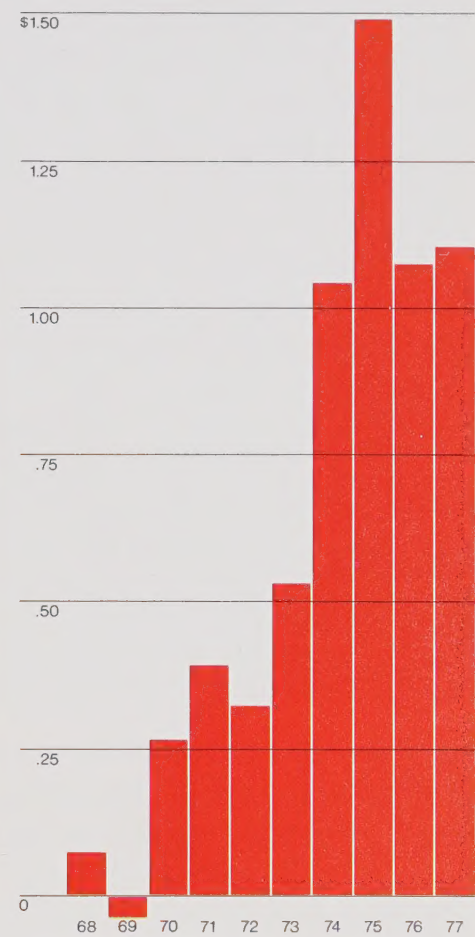
## Net income

(,000)  
\$4,500



## Earnings per common share

Adjusted to take into account a two to one share split in 1977.



group, we sought the contribution of people of other nationalities. In this cosmopolitan, multilingual organization we choose people for talent, knowledge, ability and adaptability. The multicultural composition of The SNC Group has been a prime asset, whether in marketing our services or executing projects.

To harness the diverse skills and talents of some 2,200 people drawn from many national origins and widely different backgrounds we needed to give individuals opportunities to realize their own goals. We therefore changed our structure and developed a flexible organization. It is highly diversified through specialized or regional units. Each enjoys a high degree of autonomy, yet is able to draw at need on the resources of the whole group.

The SNC Group's organization philosophy and management style are founded on the belief that human beings are the most important asset we have, and the less regimented and less alike they are, the greater the asset. We believe that individuals should be free to make their own distinctive contribution to the success of the whole, and that personal merit should be recognized. Had we opted for a highly centralized, monolithic organization we know we would have been less successful in all our efforts.

Governments, unfortunately, have become increasingly centralized over the years, a trend which accounts more than any other, in our view, for social discontent. This trend must be reversed if we are to maintain strong countries capable of realizing their potential. Governments must give the country back to the people and the people must accept the challenge. This means decentralization, and the restoration and increase of autonomy, power and responsibility to the regions. Centralism and big government have eroded individual and collective initiative in different parts of our country. We must return to a political and economic structure that offers higher individual reward for effort and demands greater personal responsibility.

True, we need the support of government, which in many cases means financial





support. Government can play a role in planning and creating a climate where private enterprises will feel challenged and motivated. Government should show more confidence in the ability of the private sector to achieve mutual objectives.

Greater autonomy and scope for initiative, coupled with a higher degree of individual or group reward and responsibility, could unleash enormous potential right across the country. We can draw on a vast pool of skills, initiative, willingness to work and perseverance. Given the opportunity for recognition, individuals and groups respond by striving to excel. A sense of competition need not rule out cooperation. It can, however, encourage groups and individuals within these groups to give of their very best.

**The promise of the future.** In our own domain of technology and management, The SNC Group is founding its long-range plan on the assumption that, in reaching a creative solution to Canada's present problems, any economic restructuring will be based upon private enterprise, and that the use of Canadian owned managing contractors by government and industry will continue to grow. This would heighten our chances of success in tackling the exciting tasks that will bring a better life to our own and other peoples and spark new achievements of technology.

There are untapped natural resources to develop, requiring new processes and techniques, often in remote regions. We must use existing energy sources more efficiently, through such means as waste management, reutilization, conservation and the evolution of new technologies. We need to protect the environment and to prevent pollution in future.

There are transportation systems to be improved and evolved. There are communication links to be established. In the developing world, the four primary needs of food, energy, basic resources and ecological protection must be met, and will be followed by rapid urbanization and industrialization. Worldwide, Canadian technology has a role to play. It is a role that, in the future as in the past, can bring in billions of export dollars to suppliers in every part of the country.

As a diversified, employee-owned, multicultural professional organization providing worldwide services to meet the evolving needs of society, The SNC Group is uniquely fitted to participate in this effort. We possess not only the needed technology, but also the necessary management skills developed on projects of all sizes.

**Our commitment.** To achieve our goals we must compete with the best in the world. This



applies, likewise, to Canadian equipment suppliers who wish to benefit from the export of expertise. Our own strategy stresses efficiency, broadly diversified technology, and the widening of our geographic representation through highly autonomous regional companies supported by the group.

Our long-range plan is to continue to fulfil our mission as a Canadian company working in Canada and around the world. We intend to grow in that role, contributing at the same time to the nationwide growth of the economy through the employment of Canadians and the export of Canadian services, goods and equipment. Through the expertise thus gained, we shall add to our country's technological wealth, in all regions. Through technical training and cooperation with local firms we shall continue to bring that technology to the other countries where we work.

In 1977 shareholders for the first time elected outside directors to the board of The SNC Group. Their contribution brought wider perspectives and independent viewpoints to our administration of the company. We take this opportunity to welcome Frederick Peacock of Calgary, who joined the other three outside directors on the board during the year.

Lionel Cook retired from his directorship early in 1977, after ten years of much appreciated service on the board. We also wish to thank Ted Papucciyan, who retired in February after a two-year term as minority shareholders' representative, and to welcome Jack Smith who was elected to the board in that role.

In the course of the year we created an audit committee made up of a majority of outside directors. We plan to appoint a human resources committee soon.

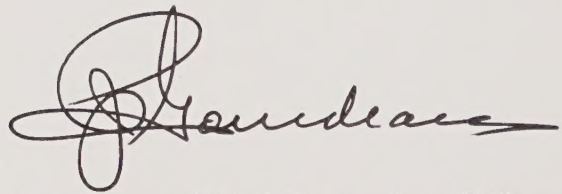
The SNC Group suffered a serious loss through the sudden death of Jacques Laflamme last November. At that time he was Vice-President, Products and a key member of the management team whose leadership qualities had been a great asset to the company.

Thanks for a successful year must go to all the people who make up The SNC Group and who have contributed their intelligence, skills, experience and hard work to creating a dynamic, diversified organization capable of tackling the problems to be solved and the tasks to be accomplished in today's world. That is the team responsible for our good performance in 1977. **SNC**

Submitted on behalf of the board of directors



Chairman and Chief Executive Officer



President and Chief Operating Officer







## Board of directors

Camille A. Dagenais, <sup>1</sup> Chairman and Chief Executive Officer, SNC Enterprises Ltd.
Alphonse Galluccio, <sup>3</sup> Corporate Controller, SNC Enterprises Ltd.
R. Guy Godbout, <sup>1</sup> President, Les Industries Valcartier Inc.
Jean-Paul Gourdeau, <sup>1</sup> President and Chief Operating Officer, SNC Enterprises Ltd.
Jack Hahn, Chairman, SNC/GECO
Stephen A. Jarislowsky, <sup>1</sup> President, Jarislowsky, Fraser & Co. Ltd.
Frederick W. P. Jones, <sup>2</sup> Professor, School of Business Administration, University of Western Ontario
Frederick H. Peacock, <sup>2</sup> President, Peacock Investments Ltd.
Jack D. Smith, <sup>2,3</sup> Vice-President, SNC/GECO
E. W. John Turcke, <sup>1</sup> Vice-President, SNC Enterprises Ltd.

<sup>1</sup> Member of the Executive Committee

<sup>2</sup> Member of the Audit Committee

<sup>3</sup> Nominated by minority shareholders

General Counsel and Corporate Secretary: Joyce A. Borden Reed

Auditors: Clarkson, Gordon & Co.

Bankers: The Royal Bank of Canada  
Bank of Montreal



## Review of operations

**Financial performance.** The SNC Group enjoyed a satisfactory year in a trying economic climate. Total sales increased. However, the increased cost of services had an adverse effect on net earnings, which also suffered from the disappointing performance of an affiliated company.

Net income for 1977 was \$3,210,000 or \$1.10 per share compared to \$3,058,000 or \$1.07 per share in 1976. Sales of professional services reached \$62,815,000, an 18% increase over the 1976 figure of \$53,034,000. Construction sales increased to \$22,378,000 from \$20,065,000 in 1976.

**A shift in revenue sources.** For the first time in The SNC Group's history, revenues from projects abroad approached those from contracts in Canada, accounting for some 43% of our sales of services; next year we anticipate a 50/50 ratio. SNC Group members worked on projects in 44 countries, generating the export of over \$50 million in Canadian equipment.

This shift, although more pronounced than expected, is in line with The SNC



Courtesy of Teleglobe Canada

Group's decade-long policy of enlarging our international market and broadening geographic coverage so as to offset economic slowdown in one country or region by revenues from others. In Canada's uncertain economic state throughout 1977, the value of this policy was proved. We reaped the results of marketing efforts in recent years and avoided much of the adverse effect of cutback in Canadian investment.

In an effort to strike a balance between domestic and foreign work in the period of growth to come, we took steps during the year to boost domestic marketing efforts, to strengthen regional companies within Canada and to diversify services over a broader spectrum of technology.

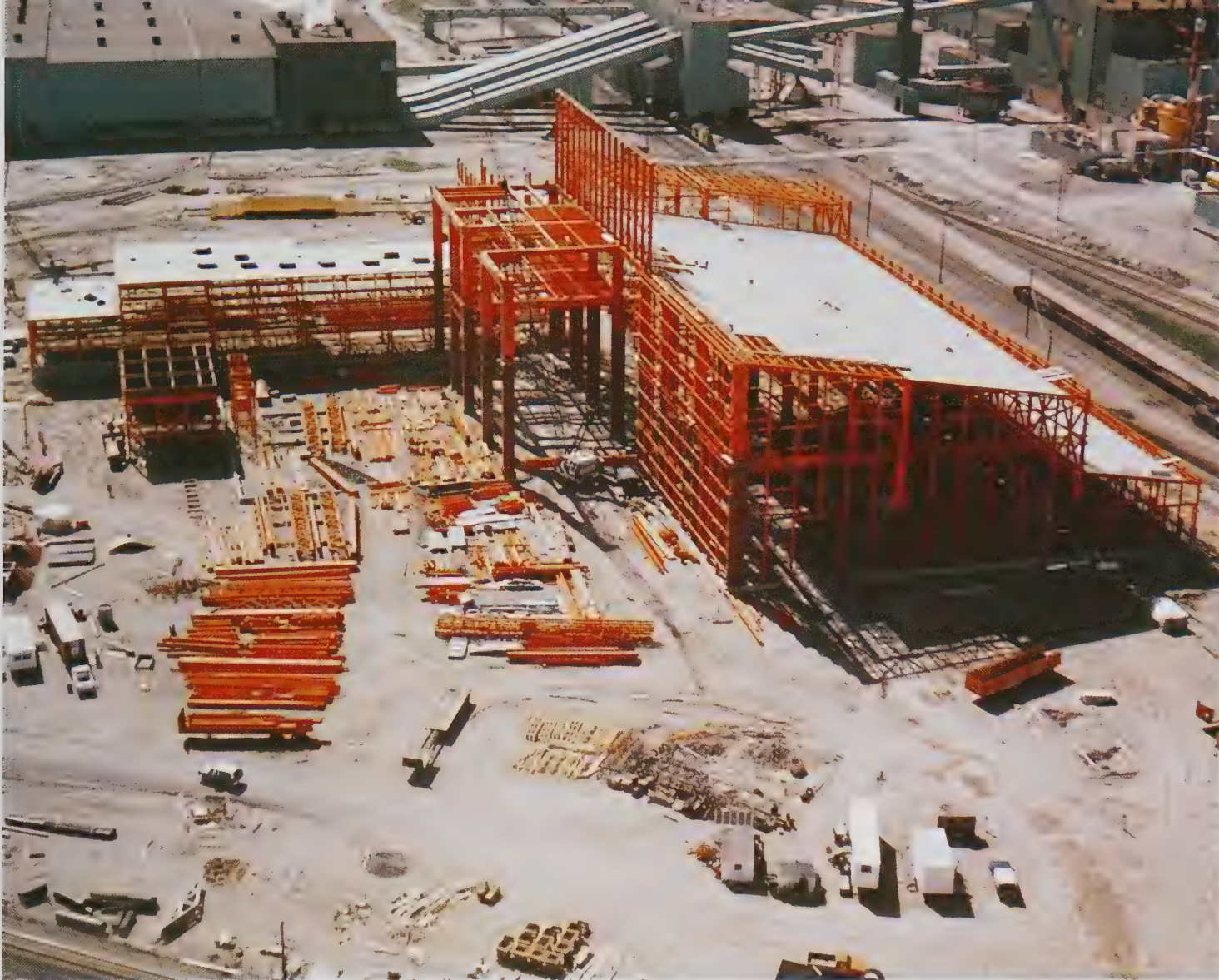
**Expansion and diversification.** Early in the year a new affiliate, SNC/FW Ltd., was launched. It

In the Tensift region of Morocco, Sorès worked on a major industrial development program based mainly on agriculture.

Model of Teleglobe's earth satellite station, to be built at Weir, Québec.

Construction at Texasgulf's copper smelter and refinery in Timmins, Ontario, since postponed, in the summer of 1977.





integrated the services of The SNC Group and Foster Wheeler Corporation for Canadian chemical and petroleum processing projects. The success of this diversification was reflected in a number of medium-range contracts.

In the last quarter we strengthened our Ontario company, SNC/GECO, through senior management appointments in its Toronto head office. This move was in line with its rapid growth in recent years, and will enable it to build on its base in Canada's most highly industrialized region.

A prime objective in 1977 was to build up our Alberta company. In 1978 we shall implement the strategy established this year and develop this operation further through top management appointments and the addition of technical staff highly qualified in the fields most needed in this rapidly growing province.

Our affiliate, Arctec Canada Limited, opened a new ice technology laboratory and operating headquarters in Ottawa. Featuring a Canadian-developed technique, it is one of the most advanced arctic marine research facilities of its kind in the world for testing vessels and structures, and will increase our opportunities to play a significant role in developing Canada's northern resources.

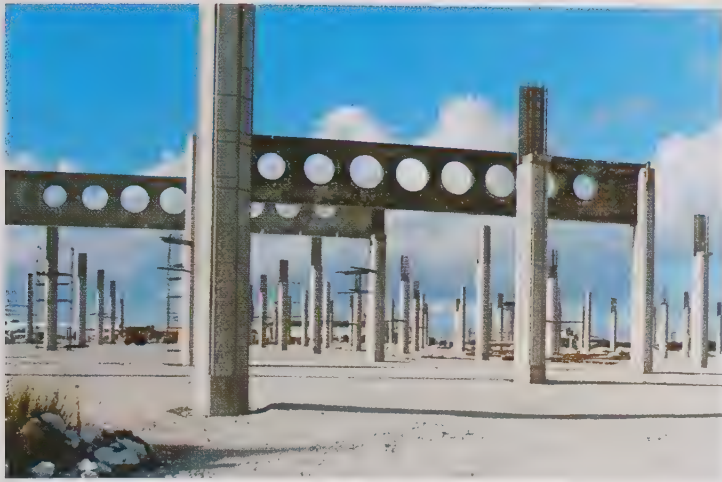
Our expansion program into the United States began in mid-1977, when we acquired an interest in one of the top 150 U.S. design firms, Hensley-Schmidt Inc., with headquarters in Chattanooga, Tennessee and a major office in Atlanta, Georgia. We then jointly created The Hensley-Schmidt/SNC Company, which draws on the resources of both parents to provide a full range of engineering, procurement and construction services in the south-eastern states.

During the year we purchased the remaining 50% interest in Deka Projekt Management und Ingenieur Gesellschaft mbH, making it a wholly owned subsidiary of The SNC Group. Headquarters of this company are now in Frankfurt, where we are making a









strong thrust to improve the profit picture. We also plan to use this operation as a base for expediting and inspection teams working in Europe and North Africa .

Our subsidiary Sorès Inc., which until 1976 specialized in socio-economic research and planning, met its goal of establishing a firm foothold in the agro-industrial market with one large on-going assignment in North Africa and three new ones in South America.

**New Canadian projects.** In 1977 we undertook our first hydroelectric assignment in Newfoundland, a study of seven rivers draining 10,000 square miles in Labrador with an estimated power potential of 2,000 MW. Among projects obtained by SNC/FW Ltd. were a cat cracker conversion at Texaco Canada's Montréal refinery, major environmental control installations at Imperial Oil Limited's Montréal and Dartmouth refineries, heavy oil studies in Saskatchewan and an on-going contract with Imperial Oil Limited covering engineering projects throughout Canada. Exploring alternate energy sources, SNC Tottrup Ltd. conducted a coal gasification study in Alberta.

SNC/GECO started a \$60 million modernization of Rio Algom's uranium processing plant in Elliot Lake, Ontario. A salt mining and processing study was carried out in the Magdalen Islands for LOUVEM, a subsidiary of the Québec government's exploration company, SOQUEM. Sorès Inc. obtained a wide range of assignments, among them an

Detail of one of the barrel arch vaults that will roof the passenger concourse at Barbados airport.

Construction progresses at Grantley Adams International Airport, as precast roofbeams are mounted on columns. Apertures will give natural light and ventilation.

Model of terminal building at Grantley Adams International Airport, Barbados. This is a CAIM project



in-depth study of an asbestos-based manufacturing industry in Québec for the Québec Asbestos Mining Association.

We began some technically interesting projects — notably the building for Teleglobe's earth satellite station at Weir in Québec's Laurentian Mountains and a feasibility study of a blood plasma processing plant for the Canadian Red Cross. SNC Metaltech Ltd. obtained sizeable inspection contracts for the hydroelectric and nuclear power industry in Canada.

**New projects abroad.** Early in the year we began work on the first phase of a \$100 million magnesite extraction plant in Yugoslavia and a \$350,000 study of a salt mining and soda ash processing operation in Thailand. Construction of a \$150 million port project, key element in a program to improve transport and communications in the eastern region of Nigeria, started under SNC Group supervision.

In November we signed the contract for an electrification program in the El Qasim region of Saudi Arabia. Capital value of the first phase is \$100 million. It is one of the principal current Canadian projects in Saudi Arabia and should generate substantial exports for Canadian manufacturers. We had great cooperation from the Department of Industry, Trade and Commerce and the Export Development Corporation in obtaining this contract: an illustration of the supporting role government can play in developing Canadian business while leaving prime responsibility with private enterprise.

The \$25 million PANAFTEL contract awarded SNC Group affiliate ELINCA Com-





munications Limited will link the countries of Senegal, Mali, Upper Volta, Niger and Bénin by a network of 60 microwave relay stations covering a distance of some 3,000 kilometres. The SNC Group's share will be done mainly by DGB Consultants Inc. This is a trailbreaking assignment — our first in a consortium with Canadian equipment suppliers.

SNC-Rust Ltd. made an impressive thrust into the international market with a \$55 million expansion and modernization program for several forest products plants in Chile and a \$300 million pulp and paper mill project in Argentina. This company also undertook studies in Peru and Malawi.

Sorès Inc. began work on industrial development programs in the Suez Canal Zone for the United Nations Development Program and for the Inter-American Development Bank in Ecuador and Bolivia.

CAIM International Airport Consultants of Montréal Ltd. studied eight airports in Peru — one in the tourist centre of Cuzco and seven in the Lima-Amazonas Corridor. Our geotechnical subsidiary, Terratech Ltd., provided soil and foundation engineering for a land reclamation project in the marshlands of Côte d'Ivoire and played a key role in a \$1 million soil testing program for the proposed Keehi interchange of Interstate Highway H-1 in Honolulu, Hawaii. SNC Metaltech Ltd. undertook major inspection assignments for large industrial plant projects in North Africa.

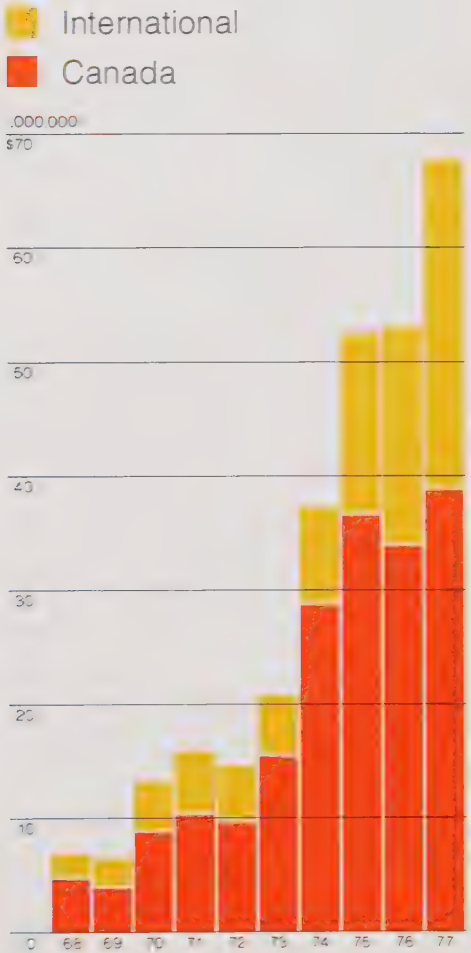
**On-going assignments: chief source of revenue.** The bulk of our revenue, as usual, was generated by on-going projects. The 200 MW Wreck Cove power project in Nova Scotia



Cranes hoist a section of steel penstock liner into place on the site of Nova Scotia's Wreck Cove Hydroelectric Project.

A pile driving rig on a Hawaiian stream, used in Terratech's soil study for a new highway.

Distribution of consulting revenues by geographic area



**Overleaf.** Architect's model of SONACOME foundry, one of The SNC Group's largest current projects abroad now under construction in Algeria

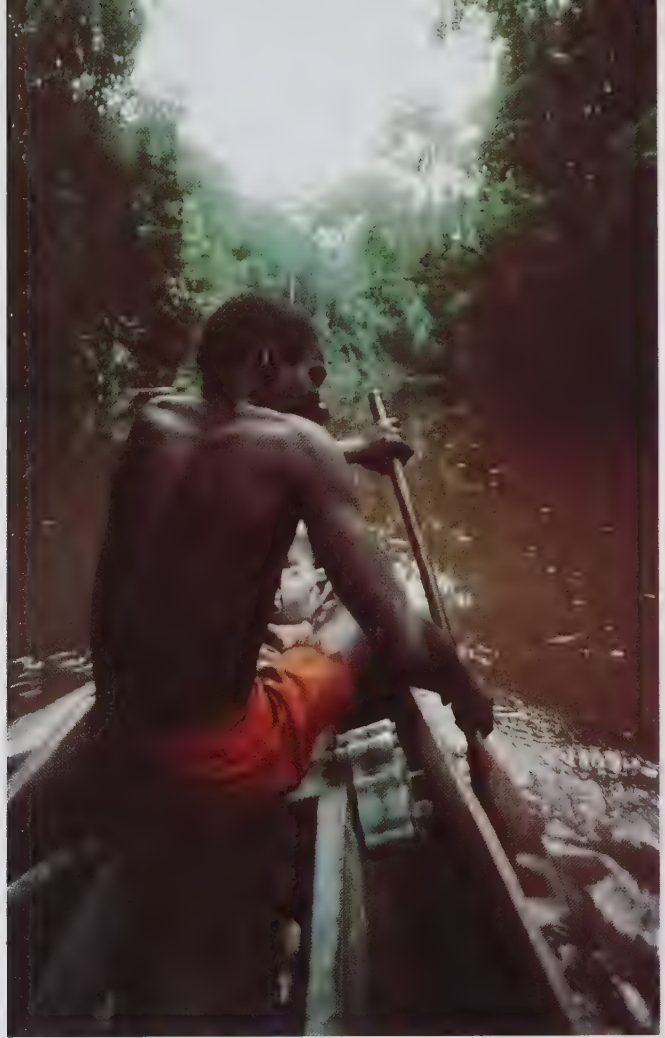












neared completion. Despite rapidly spiralling inflation since our definitive estimate was made some years ago, overall capital cost of the project was relatively modest. Excavation for the Montréal Urban Community sewage pumping station, which will have a capacity of 5,670 cubic metres a minute, was finished. Good progress was made on the LG 3 dam site in the James Bay power development. Although the project has been postponed because of world copper prices, we worked throughout the year on Texasgulf's copper smelter and refinery at Timmins, Ontario. Our affiliate, Canatom Ltd., worked on 600 MW nuclear power stations at Gentilly, Québec and Point Lepreau, New Brunswick and on a heavy water plant at La Prade, Québec. Pentagon, our construction arm, proceeded with several contracts in Eastern Canada, notably a Montréal Metro station, a 735 kV substation for Hydro-Québec and institutional buildings in Nova Scotia and New Brunswick.

Abroad, construction started on SONACOME's iron foundry in Algeria, a \$167 million project, and on Centromin's \$65 million zinc refinery expansion in the Peruvian Andes. Much site work was done on the \$150 million Sidi Saad dam project, central component in a flood control and regional development scheme in Tunisia, and on the \$60 million Selvalegre cement plant in Ecuador. A rural electrification project, covering transmission lines, substations and an expanded distribution system, continued in Nigeria. In Turkey, after commissioning the Cinkur zinc complex, The SNC Group provided initial operating services throughout 1977. Our affiliate CAIM proceeded with a \$12 million airport expansion in Barbados and a new \$60 million airport at Fujairah in the United Arab Emirates. Sorès worked on a major agro-industrial development program in Morocco. Canatom made good progress on the Wolsung nuclear reactor in South Korea.

**The overall project picture.** These, in the main, were large projects. But throughout The SNC Group we worked on a diversity of assignments — on studies and on small to medium

Conducting studies for a land reclamation project, a Terratech team travels by pirogue through Côte d'Ivoire marshes.

Québec's second nuclear power station, Gentilly 2, rises by Gentilly 1. This is a Canatom project.

Mining equipment, part of shipments totalling \$5 million in value procured for Banco Minero Peru, is hoisted aboard a Peruvian ship in Montréal Harbour.







projects as well as large ones. Some were of great technical interest, exploring new frontiers of technology now on the verge of development. This reflects the continuing importance to our growth picture of small to medium range jobs, on which we depend as much as on large ones. Because we believe our experience and expertise can be of benefit to small or medium sized industries and businesses, we plan to develop this market further.

During the year The SNC Group worked on new projects totalling \$1.7 billion in capital value. Our professional fee and construction backlog, at year's end, stood at \$112 million compared to \$99 million at the end of 1976.

**The coming year.** Whatever the short-term course of the Canadian economy, indications are that on the world market we can expect steady growth. In 1978, we shall concentrate on three principal goals: broader geographic representation, further diversification into new technologies, and bolstering our technical and managerial abilities.

Throughout Canada we shall attempt in 1978 to create strong regional companies, not branch offices, which as they grow in strength will generate export business for Canadian suppliers in the communities they serve.

By the end of 1978 we aim to have affiliated companies operating in other key centres of the United States. We have taken steps toward establishing an operating base in Great Britain. From there we plan to step up our marketing efforts in the European Economic Community, already begun by Deka, and provide support to growing operations in Africa and the Middle East. We intend to establish permanent representation in Saudi Arabia and Venezuela, and shall work toward these ends in 1978.

We shall continue to explore and foster new or advanced technologies through our subsidiaries and the main company of the group. We have worked on tidal power, coal







gasification and heavy oil studies and we shall seek other means of entering the market for alternate energy source development. We expect to bolster our existing capabilities in environmental impact research.

It seems clear that we will continue to be very much dependent on large contracts outside of Canada. Therefore, we are working constantly to develop and train project management teams who can manage contracts of any size both at home and abroad. At the same time we are improving our planning and control systems. With the number and complexity of projects growing yearly the reinforcement and perfection of our project management skills, construction ability and technological services will remain of importance. No less important are financing abilities, commissioning and operating expertise.

In the ten years from 1967 to 1977 we became recognized on the national and international markets as able project managers successfully meeting quality, cost and time objectives. Our efforts now are geared toward the consolidation of The SNC Group as a truly Canadian international organization serving clients in all of Canada's ten provinces and around the world. **SNC**

A typical substation in The SNC Group's rural electrification project in Nigeria.

Field reconnaissance for ELINCA's PANAFTTEL project covered five African countries, where sites of relay stations were often remote and difficult to reach.

Exploratory drilling in Bay of Fundy basins was part of 1977 tidal power studies.







## Auditors' report

---

To the Shareholders of SNC Enterprises Ltd. We have examined the consolidated balance sheet of The SNC Group as at December 31, 1977 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. For SNC Enterprises Ltd. and its subsidiaries, and those joint ventures audited by us, our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances. For other joint ventures not audited by us, we have relied on the reports of the auditors who have examined their financial statements.

In our opinion, these consolidated financial statements present fairly the financial position of The SNC Group as at December 31, 1977, and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year as restated.

Montréal, Canada, January 31, 1978

**Clarkson, Gordon & Co.**  
Chartered Accountants



Consolidated statements of income and retained earnings  
for the year ended December 31, 1977

Income	1977	1976
Sales of services —		
Professional fees (note 4)	\$62,814,806	\$53,034,045
Construction	22,377,959	20,064,500
	85,192,765	73,098,545
Cost of services rendered —		
Professional fees	33,215,301	26,794,419
Construction	21,220,444	20,013,612
	54,435,745	46,808,031
Gross income	30,757,020	26,290,514
Administrative, selling and general expenses	25,220,694	21,319,843
Income before income taxes	5,536,326	4,970,671
Income taxes (note 5)	2,326,064	1,912,061
Net income for the year	\$ 3,210,262	\$ 3,058,610
Earnings per common share	\$ 1.10	\$ 1.07
Dividends per share	\$ 0.40	\$ 0.40
Retained earnings		
Retained earnings, beginning of the year	\$10,959,103	\$ 9,039,527
Net income for the year	3,210,262	3,058,610
	14,169,365	12,098,137
Dividends paid	1,160,354	1,139,034
Retained earnings, end of the year	\$13,009,011	\$10,959,103

See accompanying notes



The SNC Group

Consolidated balance sheet  
December 31, 1977

Assets	1977	1976
Current:		
Cash and short-term deposits	\$ 7,277,337	\$10,393,627
Accounts receivable	21,078,557	17,441,188
Contracts in progress at estimated billing value	14,282,510	6,701,070
Total current assets	42,638,404	34,535,885
Fixed assets at cost less accumulated depreciation and amortization	3,285,026	2,976,910
Excess of cost of investments in businesses over the fair value of underlying net assets at acquisition	2,105,173	1,700,632
	\$48,028,603	\$39,213,427
Liabilities and shareholders' equity	1977	1976
Current:		
Down payments on contracts (note 6)	\$ 9,052,081	\$ 6,073,530
Accounts payable and accrued charges	11,688,718	11,229,412
Income and other taxes payable	1,522,671	2,295,596
Billings in excess of degree of completion of work	5,228,062	2,323,257
	27,491,532	21,921,795
Deferred income taxes	3,876,271	3,610,804
Total current liabilities including deferred income taxes	31,367,803	25,532,599
Long-term debt (note 7)	1,128,412	495,370
Shareholders' equity:		
Share capital (note 8)	2,523,377	2,226,355
Retained earnings	13,009,011	10,959,103
Total shareholders' equity	15,532,388	13,185,458
	\$48,028,603	\$39,213,427

See accompanying notes

On behalf of the Board  
C.A. Dagenais, Director  
J.-P. Gourdeau, Director



Consolidated statement of changes in financial position  
for the year ended December 31, 1977

Source of working capital:	1977	1976
Operations —		
Net income for the year	\$ 3,210,262	\$ 3,058,610
Add (deduct) items not involving a flow of funds:		
Depreciation and amortization	638,339	664,665
Increase (decrease) of deferred income taxes	199,636	(617,464)
Total funds from operations	4,048,237	3,105,811
Issuance of capital stock	297,022	271,480
Long-term debt	—	441,770
	4,345,259	3,819,061
Use of working capital:		
Purchases of businesses		
Purchase price	1,185,908	—
Less working capital acquired	(673,375)	—
Long-term debt incurred	(892,042)	—
	(379,509)	—
Repayments of long-term debt	259,000	71,400
Purchase of fixed assets — net	772,632	1,497,508
Dividends paid	1,160,354	1,139,034
	1,812,477	2,707,942
Increase in working capital	2,532,782	1,111,119
Working capital, beginning of year	12,614,090	11,502,971
Working capital, end of year	15,146,872	12,614,090
Deferred income taxes	3,876,271	3,610,804
Working capital, end of year, after deduction of deferred income taxes	\$11,270,601	\$ 9,003,286

See accompanying notes



Notes to consolidated financial statements  
December 31, 1977

1. Summary of significant accounting policies

- a) Principles of consolidation  
The consolidated financial statements of The SNC Group comprise the accounts of SNC Enterprises Ltd., its subsidiaries and its *pro rata* share of assets, liabilities, revenues and expenses of joint venture partnerships and companies.  
The comparative figures for 1976 of the consolidated balance sheet and statement of changes in financial position have been restated to reflect this proportionate consolidation method. The equity method of consolidation was used last year in these statements.  
The excess of cost of investments in businesses over the fair value of underlying net assets at acquisition is amortized over a period of 40 years.
- b) Revenue recognition on contracts  
Revenue on contracts is recognized on a percentage of completion basis. Anticipated losses, if any, are fully provided for in the accounts.
- c) Proposal and selling expenses  
All costs and expenses related to proposals and selling of services are expensed as incurred.
- d) Depreciation and amortization  
Fixed assets consist mainly of leasehold improvements amortized over the terms of the leases and office furniture depreciated at 20% per year on the diminishing balance basis.
- e) Foreign currency translation  
The accounts of The SNC Group, stated in foreign currencies, have been translated into Canadian dollars based on:  
— The year-end exchange rate for current assets and current liabilities  
— Exchange rates in effect at the time of the transaction for other assets and liabilities  
— Exchange rates prevailing during the year for revenue and expenses  
— All translation gains or losses have been included in the consolidated statement of income

2. Acquisitions

In 1977 The SNC Group acquired interests in companies for a total consideration of \$1,186,000, payable \$294,000 in cash and \$892,000 with interest of 7%, payable over five years. (The eventual acquisition price is subject to adjustments depending on future earnings).  
Of this amount, \$474,000 represents the excess of cost of investments over the fair value of underlying net assets at acquisition.

3. Joint venture activities

The SNC Group carries out part of its business through joint ventures established to render specialized services. The Group's *pro rata* share of the joint venture operations included in the consolidated financial statements is summarized below:

Statement of Income	1977	1976
Sales of services		
Professional fees	\$12,211,028	\$11,457,653
Cost of services rendered and administration, selling and general expenses	\$10,629,220	\$ 9,373,800
Net income	\$ 859,966	\$ 1,192,919
Balance sheet		
Current assets	\$ 8,274,277	\$ 6,491,877
Other assets	450,275	305,517
	\$ 8,724,552	\$ 6,797,394
Current liabilities	\$ 7,106,970	\$ 5,565,685
Equity	1,617,582	1,231,709
	\$ 8,724,552	\$ 6,797,394
Decrease in working capital	\$ 246,146	\$ 127,518

Amounts reflected above are before any elimination of transactions between such joint ventures and the other members of The SNC Group. Such eliminations have been reflected in the consolidated financial statements.  
*Pro rata* share of the operations of joint ventures established to carry out specific projects are not included above as their assets, liabilities, revenues and expenses are under the control of the joint venture partners.



4. Supply of equipment

The SNC Group's responsibilities under a contract, in addition to professional services, include the supply of equipment over the life of the contract, for a fixed price of \$46,000,000. The difference between the contract value and estimated total costs related to this equipment, based on the degree of completion at December 31, 1977, is included in the consolidated statement of income under "Sales of services — Professional fees".

5. Income taxes

Income taxes in the consolidated statement of income are composed of:

	1977	1976
Current	\$2,126,428	\$2,529,525
Deferred	199,636	(617,464)
	\$2,326,064	\$1,912,061

The effective tax rate for both 1977 and 1976 differs from the statutory Canadian tax rates as a result of investment income taxed at lower rates, of foreign operations subject to taxes by other jurisdictions and of capital gains or losses.

6. Bank guarantees and loans

Bank loans, bank guarantees and lines of credit are guaranteed by a general assignment of accounts receivable.

The SNC Group has provided bank guarantees aggregating \$9,850,000 as security for down payments received from foreign clients. Such guarantees are reduced in relation to the degree of completion of projects.

In addition, The SNC Group has guaranteed its performance under a contract through a \$4,000,000 bank guarantee which will expire in 1984. The terms of the contract provide that, upon completion and acceptance of certain work phases, the guarantee will be reduced prior to maturity to \$400,000.

7. Long-term debt

	1977	1976
Balance of purchase price of the shares of an engineering firm, 7%, payable by average instalments of \$172,500 to 1982 (\$804,000 U.S.)	\$ 862,042	\$ —
Balance of purchase price of leasehold improvements, 11.25%, payable by equal blended capital and interest monthly instalments of \$6,148 to 1986	415,370	441,770
Balance of purchase price of investment in an engineering firm, non-interest bearing, payable by equal instalments to 1981	80,000	100,000
Balance of purchase price of shares of an engineering firm, 1% over Canadian prime bank rate, repayable \$10,000 annually	30,000	—
Balance of purchase price of investments, 6%, payable \$25,000 annually	—	25,000
	\$1,387,412	\$566,770
Less portion included in current liabilities	259,000	71,400
	\$1,128,412	\$495,370



8. Share capital

Authorized

100,000 6% non-cumulative preferred shares of \$10 par value each, redeemable at the amount paid up thereon.

6,000,000 common shares without par value

Issued and outstanding

	1977	1976
Number of common shares	2,925,986	2,862,586

During the year, SNC Enterprises Ltd. obtained supplementary letters patent authorizing the split of its common shares on a 2 for 1 basis, and increasing its authorized common shares to 6,000,000. The number of shares outstanding and the earnings and dividends per common share for 1976 have been restated accordingly in the consolidated financial statements.

9. Pension plan

As established by actuarial study, the past service obligation of The SNC Group for the benefit of its employees under the pension plan amounted to \$797,000 and is being amortized over a period of 17 years from January 1, 1974, date of inception of the plan.

10. Commitments

Commitments for annual basic rental under long term leases amount to \$2,800,000 in 1978, decreasing to \$2,200,000 in 1988.

11. Statutory information

	1977	1976
Remuneration of directors and officers		
Number of directors	11	17
Number of officers	9	8
Directors who are also officers	4	6
Remuneration of the directors and officers as directors and officers of SNC Enterprises Ltd.	\$ 30,000	—
Remuneration of the directors as officers of subsidiary companies	\$245,000	\$851,000

12. Anti-inflation measures

The SNC Group is subject to the anti-inflation program of the Government of Canada restraining professional fees and income, employees' compensation and shareholders' dividends.







# Ten year operating and statistical summary

1. In thousands of dollars, excepting number of employees, earnings per common share and book value per share.
2. Earnings per common share, book value per share and common shares outstanding adjusted to take into account a two to one share split in 1977.

	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968
Number of Employees	2,200	2,200	2,300	2,400	1,700	1,200	900	880	550	550
Net sales										
Professional fees	62,815	53,034	52,680	37,290	21,034	14,836	16,147	13,352	6,868	7,095
Construction	22,378	20,065	25,714	24,082	19,704	15,263	10,735	5,016	193	—
	85,193	73,099	78,394	61,372	40,738	30,099	26,882	18,368	7,061	7,095
Income before income taxes										
Professional fees	5,525	5,852	8,789	5,968	2,729	1,302	1,277	1,388	20	436
Construction	11	(882)	(690)	(225)	51	326	755	218	(62)	—
	5,536	4,970	8,099	5,743	2,780	1,628	2,032	1,606	(42)	436
Income taxes										
Professional fees	2,321	2,335	4,319	3,100	1,391	660	725	964	34	278
Construction	5	(423)	(333)	(109)	28	158	391	83	—	—
	2,326	1,912	3,986	2,991	1,419	818	1,116	1,047	34	278
Net income for the year										
Professional fees	3,204	3,517	4,470	2,868	1,338	642	552	424	(14)	158
Construction	6	(459)	(358)	(116)	23	168	364	135	(63)	—
	3,210	3,058	4,112	2,752	1,361	810	916	559	(77)	158
Earnings per common share	1.10	1.07	1.49	1.04	0.53	0.32	0.39	0.26	(0.04)	0.07
Return on shareholders' equity	23%	26%	45%	45%	32%	25%	40%	37%	(6%)	13%
Book value per share	5.31	4.61	3.94	2.75	1.87	1.43	1.19	0.83	0.58	0.61
Common shares outstanding	2,926	2,863	2,795	2,756	2,603	2,577	2,378	2,191	2,191	2,191
Shareholders' equity	15,532	13,185	10,994	7,583	4,853	3,681	2,831	1,822	1,263	1,340
Working capital	15,147	12,614	9,749	7,939	3,293	2,572	1,607	706	—	309
Cash flow from operations	4,048	3,106	3,912	2,918	1,319	1,010	1,115	1,229	30	323

SNC's new U.S. affiliate, Hensley-Schmidt, has a high reputation for environmental engineering. This water treatment plant is a typical project.



**Holding company**

SNC Enterprises Ltd.

**Subsidiaries**

**Surveyer, Nenniger & Chênevert Inc.** Founder and main company of The SNC Group, providing comprehensive services in engineering, design, procurement and commissioning.

**SNC Computation Ltd.** Data processing services.

**SNC/GECO.** Comprehensive services in Ontario. Mining and mineral processing.

**SNC International Ltd.** International financing and corporate development.

**SNC Metaltech Ltd.** Quality assurance services.

**SNC (Nigeria) Ltd.** Comprehensive services in Nigeria.

**SNC Services Ltd.** Engineer/procure/construct projects.

**SNC Tottrup Services Ltd.** Comprehensive services in Western Canada.

**SNC (U.K.) Ltd.** Comprehensive services in Britain.

**SNC/Worley Ltd.** Engineering, procurement, construction and modular design/building for the oil and gas industry.

**Deka Projekt Management und Ingenieurgesellschaft mbH.** Comprehensive services in Germany.

**DGB Consultants Inc.** Systems engineering and telecommunications.

**Exploratech Ltd.** Geological, petroleum and mineral investigations.

**Pentagon Construction Canada Inc.** Construction.

**Reprotech Ltd.** Printing and reproduction.

**Sorès Inc.** Socio-economic studies; operations and market research.

**Terratech Ltd.** Geotechnical consultants.

**The SNC Corporation.** Comprehensive services in the U.S.

**Associated companies**

**Arctec Canada Limited.** Applied cold regions research and development.

**(CAIM) International Airport Consultants of Montréal Ltd.** Airports.

**Canatom Limited.** Nuclear power and heavy water.

**Canatrans Consultants Ltd.** Guided ground transport systems.

**CIPM Canadian International Project Managers Ltd.** Large turnkey projects in socialist bloc countries.

**Elinca Communications Limited.** Turnkey telecommunications projects.

**Hensley-Schmidt Inc.** Engineering, environmental control services and transportation studies in south-eastern United States.

**SNC/FW Ltd.** Engineering, procurement and construction services for the chemical and petroleum industries.

**SNC-Rust Ltd.** Forest products technology.

**The Hensley-Schmidt/SNC Company.** Comprehensive services in south-eastern United States.









---

**Offices in Canada**

Edmonton, Calgary, Toronto, Montréal, Moncton

---

**Offices Abroad**

Major centres in various parts of the world

---

**Head Office**

1, Complexe Desjardins  
P.O. Box 10, Desjardins Postal Station  
Montréal, Canada H5B 1C8  
Telephone (514) 282-3551  
Telex 055-60042  
Cable Address SNCINC

---

---

On peut obtenir des exemplaires français du présent rapport  
en adressant sa demande de la façon suivante:  
Le directeur des Relations publiques

**Le Groupe SNC**

1, Complexe Desjardins  
Case postale 10, Succursale Desjardins  
Montréal, Canada H5B 1C8

---

---

This report has been created and produced  
by the Public Relations Department

---

Design: Claude Boudrias et Associés Inc.

---

Litho Canada

---





The **SNC** Group









## SNC Enterprises Limited

### **Who we are**

SNC stands for an organization of more than 1,400\* professional people, with many and diverse talents, working together to serve clients anywhere in the world. Known as SNC Enterprises Ltd., the Group provides a broad spectrum of services, which range from initial studies and economic planning through engineering, construction, commissioning and operating management.

The company had its beginnings in Montreal more

than 60 years ago as a consulting engineering firm, which later operated under the name of Surveyer, Nenniger & Chênevert. Since these earlier days, it has steadily expanded its activities to serve clients in industry and government, throughout Canada and in some thirty other countries.

SNC now operates both nationally and internationally, from main centres across Canada and an increasing number of locations abroad.

\*At time of printing.



York  
sharply lower  
ing slowly  
ard controls?  
ks seen hiking interest rates

o makers given delay on emission contro

e world  
ort out  
ey crisis  
Rates raised  
across board  
by four banks  
Ottawa to study Mackenzie  
Credit pressures

1. Tax policy paralysis  
stalls business plans

Students to continue  
accept new offer

Hydro union chiefs accept  
workers to vote on pact

London's incivil servants  
Hospital still without elevator

Settlement  
near for  
Hydro me

Hydro me

Hydro me

Hydro me

Hydro me

Hydro me

Hydro me

Hydro me

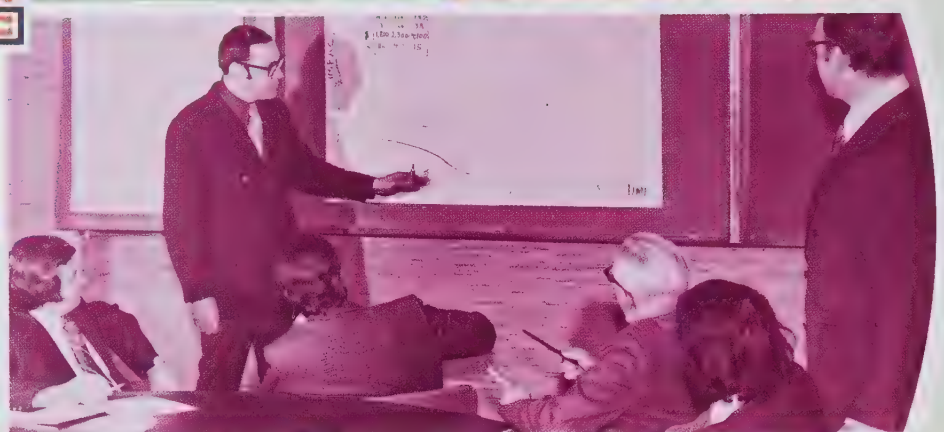
Hydro me

Hydro me

Hydro me

Hydro me

Hydro me







## The “Global Approach”

## How we work

RAPID CHANGES in technology, new problems in financing, greater obsolescence, accelerating social change . . . these are just a few of the problems which plague decision makers today, both in industry and government. They are also critical factors which have led us, within the past decade or two, to formulate a whole new concept of service.

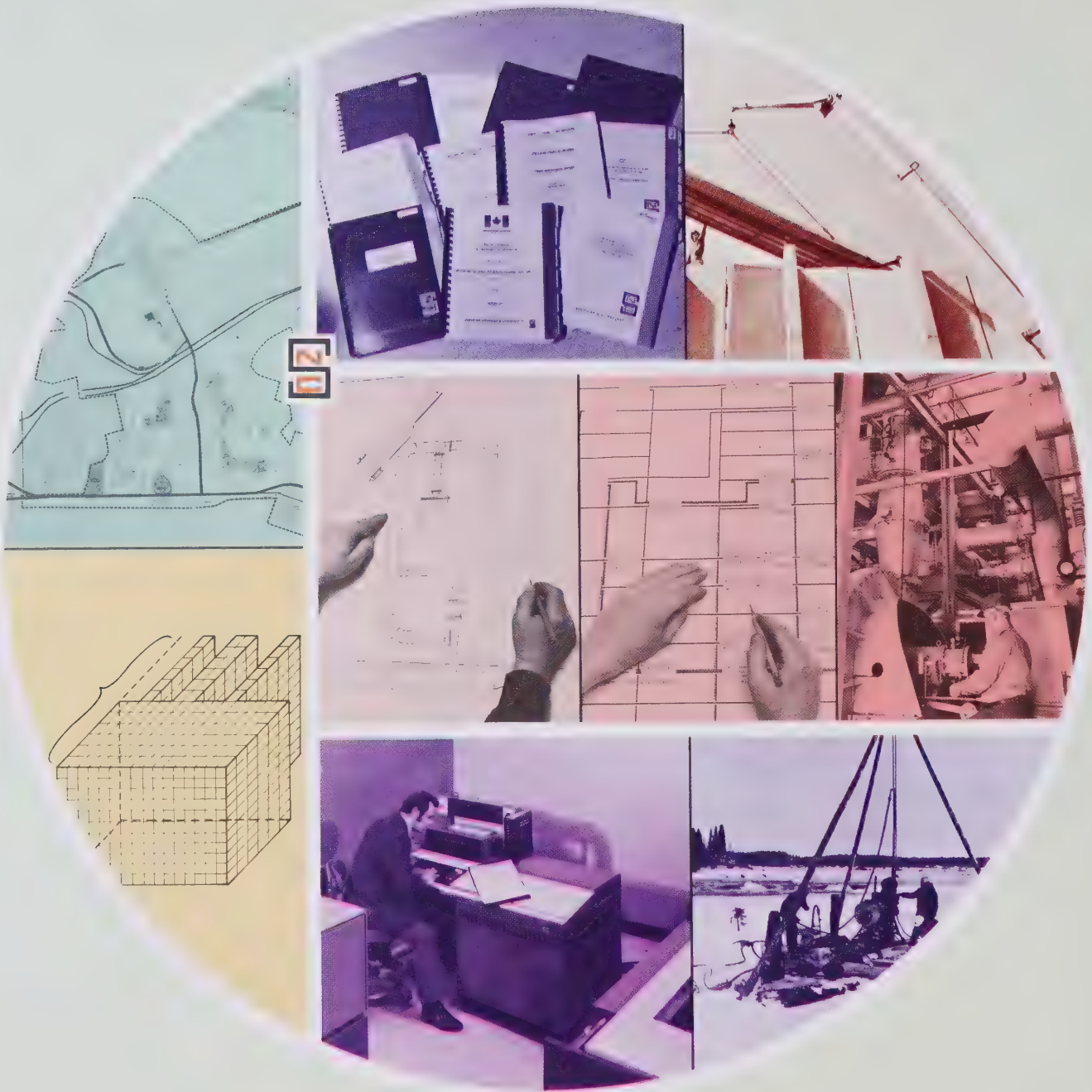
We strive more and more to provide the best *overall* solutions for our clients; solutions which go beyond the normal conventional aspects, taking into account both present and future social, economic and environmental factors. To do all this well demands a high degree of flexibility and the availability of many specialized talents, which can be brought to bear on

a particular project.

As we evolved, new skills and services were added under the SNC banner or as autonomous subsidiaries and affiliates, bringing to the group a wealth of diversified experience. These firms work together with other members of the group to provide a “global approach”. They retain their own identities, however, and offer their clients a personalized service in their own fields.

In working abroad, it is the policy of the group to utilize the talents of local engineers and other technicians to the fullest extent. This method of working has the effect of reducing overall costs, saving foreign exchange and enhancing the technical resources of the country in which the work is carried out.







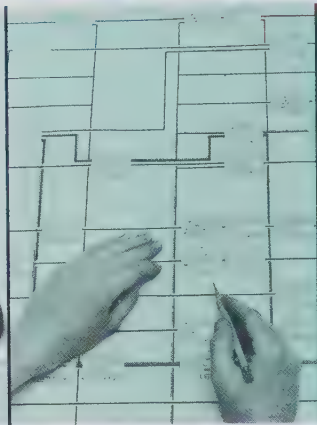
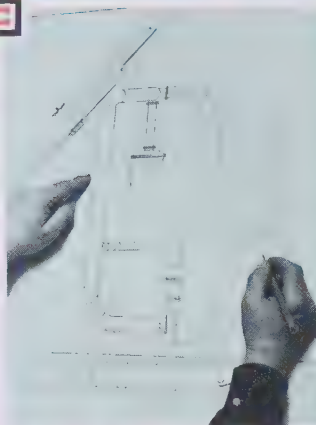


## What we do

THE SNC GROUP provides services which range from small-scale investigations and studies to complete design, project management and commissioning. The main activities covered by the Group are shown at right:

<i>Studies:</i>	Regional Planning Research and Development Resources Economics Environment Feasibility and Financial Planning Site Selection Geological and Soil Investigations Mineral Exploration Operations Research Computer Programs and Applications
<i>Designs:</i>	Preliminary and detailed designs are furnished in all disciplines, including: electrical, mechanical, structural, civil, environmental, automation and process engineering.
<i>Project Management Services:</i>	Complete responsibility for a project, from concept to completion, including: Planning Estimating Procurement Cost and Quality Control Scheduling Construction Management Design/Build Start-up Commissioning Operator Training





COST REPORT & FORECAST

ULTIMATE TOTAL FORECAST

COST REPORT & FORECAST

SUB DIVISION SUMMARY

SUMMARY BY DISCIPLINE

COST & DVS ESTIMATE FORECAST TOTAL

COMMITMENTS TO COMPLETE AMOUNT

434,474 33,300 81,000

P.O. NUMBER

SUPPLIER

COMMITMENT REPORT

DESCRIPTION

BACKFILL

GENERAL

C.O.D. CLEAN SAND QTY. M 20T

TRANSFER C.O.D. REDUCE SAND QTY. M 40T

TRANSFER FILL TOTAL SAND QTY. M 60T

TRANSFER FILL GRAVEL QTY. M 75T

TRANSFER FINE SAND QTY. M 30T

TRANSFER C.O.D. OVERSHIPPMENT QTY. M 100T

TRANSFER SAND QTY. M 60T

TRANSFER GRAVEL QTY. M 45T







## **Project management**

THE PRECEDING TWO PAGES outline the principal services offered by the SNC Group. Though these services are available separately, more often than not they are combined together under the heading of project management. SNC is one of the Canadian pioneers in this technique, whereby a single organization undertakes responsibility for all phases, from feasibility studies through design, procurement and construction to commissioning. Full project management provides many real advantages: while delegating responsibility for quality, cost and time objectives, the client's staff is released from additional burdens which could affect the performance of their regular tasks. Meanwhile, control is retained for major decisions affecting the project.

Partial project management services are also provided when clients prefer to assume responsibility for certain phases.

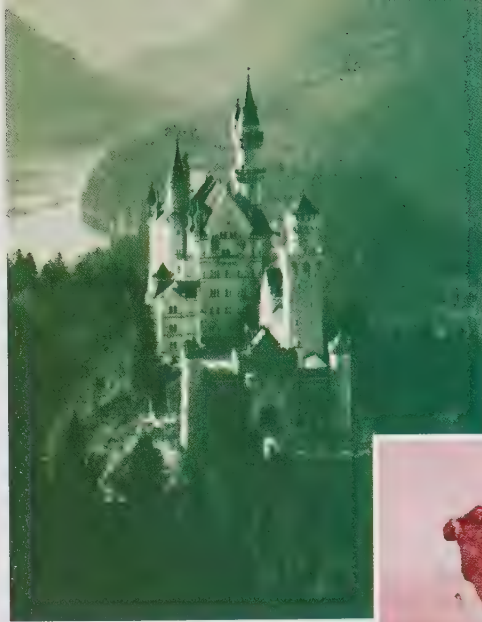
### Experience:

Since the late '50's we have provided complete or partial project management services for more than fifty projects, with a total value in excess of one billion dollars (including those now underway). The assignments have run the gamut from mining developments and industrial plants to commercial buildings and nuclear power stations. During this period, we have constantly refined our methods and procedures, while building up a seasoned staff, versed in every aspect of project management and control.









## Where we work

IN CANADA, we work in several provinces, both in populated centres and as far north as the Arctic Circle, with its special problems of climate and terrain. Permanent offices have been established in Vancouver, Toronto, Ottawa, Montreal, Quebec, Sept-Îles and Moncton.

Overseas, the company has worked in more than 30 countries and has offices or representatives in England, France, Greece, Germany, Algeria, Ghana, Australia and Equador.











## ***Fields in which we work***

ONE OF THE more diversified professional groups in North America, we are able to provide for most of the consulting and construction needs of industry, commerce and government.

In the industrial field, for example, we have carried out assignments which range from food manufacturing and automotive plants to cement, chemicals and petrochemicals. In mining, metallurgy and mineral processing SNC is working on a variety of projects in Canada and abroad—and especially in the fields of zinc, asbestos and steel.

In power, our experience covers nuclear, thermal and hydro generation, transmission and the engineering of complete power systems for industrial plants.

In environmental engineering we apply an integrated approach to ecological problems in all their aspects. We are deeply involved in town planning, regional development and the engineering design of building complexes of all types.

One of our SNC affiliates is active in the field of airport design; others specialize in roads, bridges, wharves and other transportation assignments. Operations research, systems engineering, telecommunications, computer technology, and information systems form part of a growing list of SNC services.

In the following pages we sketch out some of our main fields of operation, with typical examples of recent projects.



## Industry

SNC was one of the earlier Canadian companies to enter the field of industrial plant design and possesses highly diversified experience in Canada and abroad. More than two decades ago, the company developed expertise in dust and effluent control and air-conditioning for industrial plants; it has remained in the forefront of innovation, both in process and in building design.

In addition to its activities in the general industrial field, SNC and its associates maintain departments staffed by specialists in mining and metallurgy, pulp and paper, food technology and chemicals, as described later.



## Pulp and paper

SNC-Rust Ltd. provides design and construction services for the forest product industries. Montreal-based and Canadian-controlled, it brings together the joint resources of SNC Inc. and the Rust Engineering Co. of Birmingham, Alabama, with a total staff of 2500.

These companies have a background of experience based on the design and construction of some 40 integrated pulp and paper mills during the past 10 years, including current assignments valued at \$400 million.

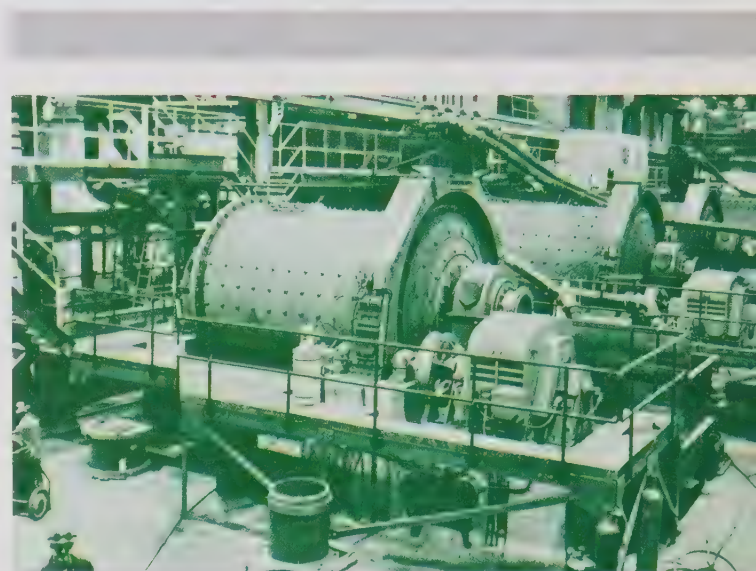


## Mining, metallurgy, mineral processing

The SNC Group serves all phases of the industry, from exploration and process design to production, and has worked in this field on six continents.

Our engineers have special expertise in steel and zinc. SNC has also worked on facilities for lead, nickel, iron ore, aluminum, uranium, gold and silver processing.\*

Internationally known for its work in asbestos, the company has designed mills in several parts of Canada and abroad. Highly automated plants have also been designed for cement manufacturing.



\*GECO leads the Group in mineral processing.

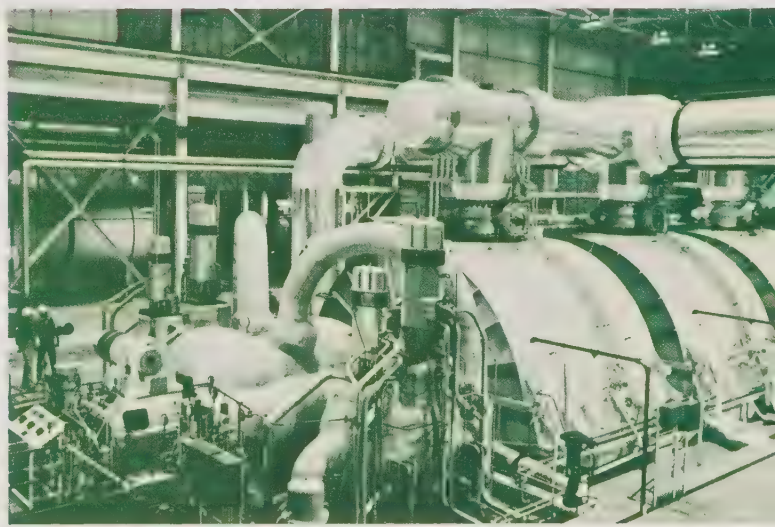
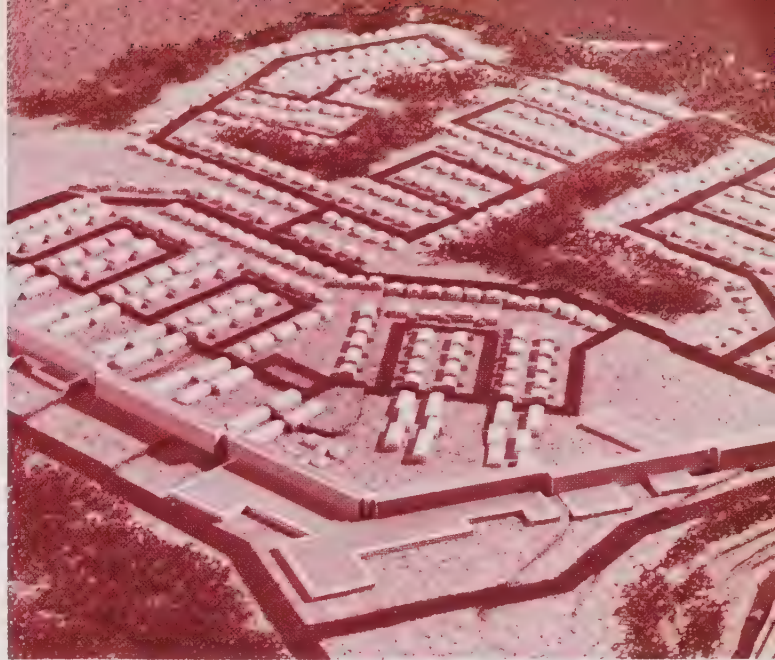


## Design/build

For special industrial assignments, where a "design/build" approach is required, SNC may call upon the services of its construction associate — Pentagon Construction.

In such cases, this company forms part of a total project team, adding a further dimension to SNC's experienced project management group.

On other projects, Pentagon operates as an independent entity, serving industrial clients from coast-to-coast in Canada. Its diversified projects have ranged from mining to hydroelectric installations.



## Power

The SNC Power Division has a specialist staff of over 150, working in Canada and abroad. The company is active in hydroelectric, thermal and nuclear\* power and has also carried out assignments for water resource studies and power transmission. Industrial power projects, marine facilities and heavy civil structures are also undertaken by the Division.

\*Through Canatom Ltd.

## Mineral Investigations

Exploratech Ltd. offers consulting services in geological exploration for metals, minerals, petroleum and natural gas. The group has conducted surveys of this type for governments and major mining companies in central and eastern Canada and in other countries.





## Food

SNC has been active in food processing for several decades, with the design of biscuit, chocolate and bread factories. Since 1966 the company has built up an international reputation in protein technology — serving as consultants to government and private groups in the research and development of protein concentrates. SNC is heavily engaged in fish protein concentrate and rapeseed processing technology, one of the world's most important sources of fatty oil and protein.



## Chemical plants

SNC's Chemical Plants Division is staffed by engineers, managers and technical personnel who have spent an average of 15 years in the industry, either with chemical companies or with consultants working on chemical projects. This background of practical experience has moulded the design philosophy of the Division.

Over the past two decades, the company has worked on assignments involving pigments, fertilizers, plastics, and LNG among other products. More recently, several petrochemical assignments have been undertaken for internationally-known producing companies such as Du Pont, Dow, Hercules and Shell. Many of these contracts are for project management; i.e., design/procurement/construction.



## Airports

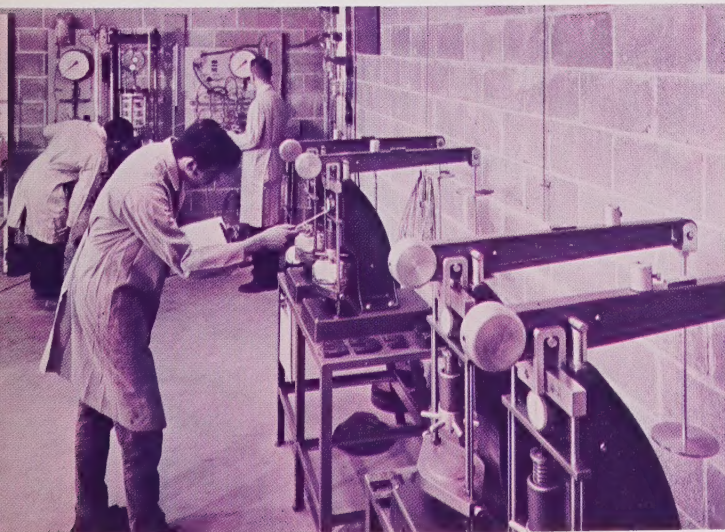
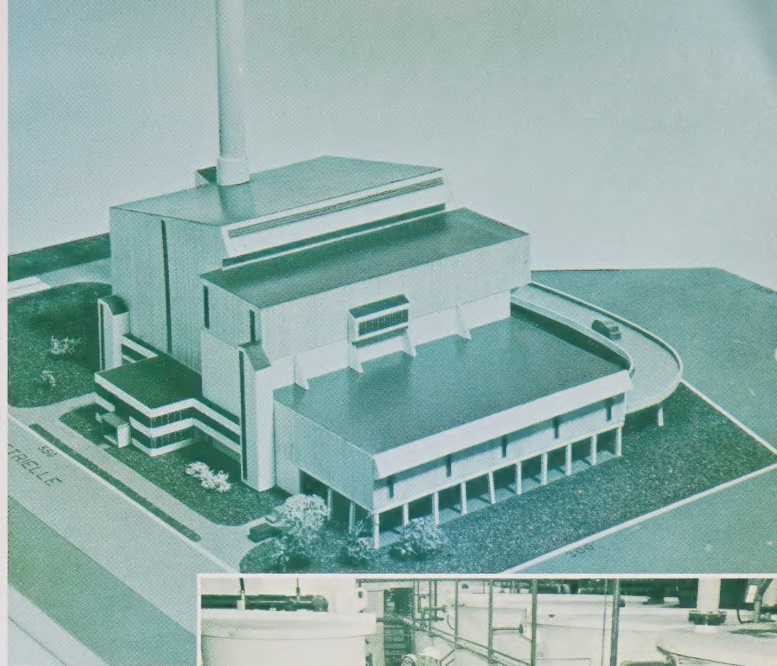
A new and innovative airport is being built near Montreal to accommodate international air traffic for the next several decades. SNC is heading International Airport Consultants of Montreal Ltd. (CAIM), a consortium which is managing the project and which includes Beauchemin-Beaton-Lapointe Inc., consulting engineers and Bland, Lemoyne, Shine and Victor Prus Inc., architects. Members of the Group have also carried out studies and airport improvement assignments in the Middle East and on several islands in the Caribbean.



## Environment

Concern for the environment—and the development of expertise for its protection—have been guiding principles of the company since its earlier days. Our Environmental Division provides an integrated approach to ecological problems: it studies the total effect of new facilities and designs any necessary pollution abatement systems, taking responsibility for the success of a project from initial surveys through design, construction and commissioning.

Within the framework of a “total” approach, the Group is staffed and equipped for several distinct functions, including resource studies; urban and regional planning; abatement systems; commercial and institutional buildings; water supply, sewerage systems and other public utilities.



## Soils and foundations

Soil mechanics and foundation engineering services are the specialty of Terratech Ltd., one of Canada's largest companies in this field. Founded in 1960, it furnishes comprehensive geotechnical services for SNC projects and also to a wide spectrum of government and industrial clients in Canada and abroad. It undertakes subsurface investigations, materials testing, foundation design, field supervision and foundation construction control for all types of dams, highways, bridges, buildings and earthworks.





## Computer services



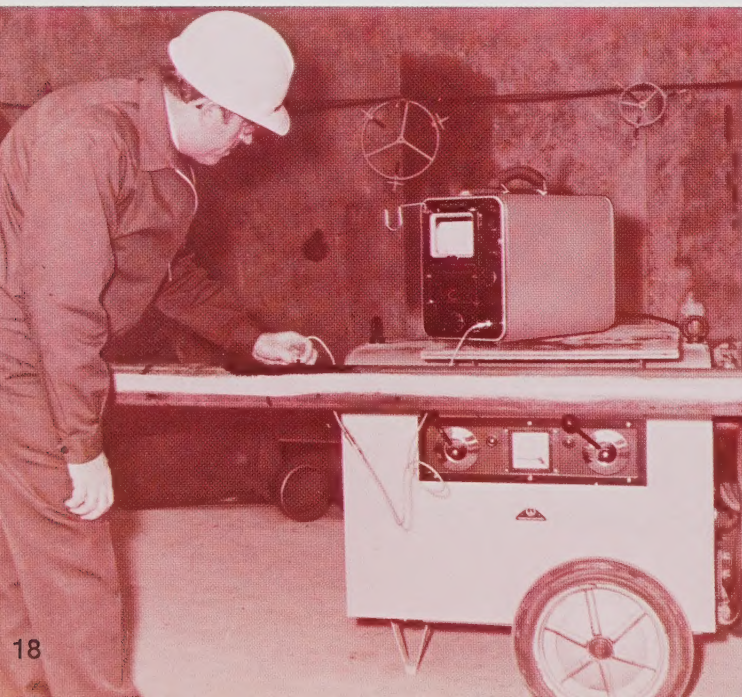
A full range of data processing services is provided by SNC Computation Ltd. both for SNC Group projects and for clients in the commercial, scientific and engineering fields. The company, established in 1961, was the first data centre in Canada to be set up by a private consulting firm. Since then, its staff of system

designers, programmers and operators has been continuously increased. In-house IBM Systems/360 and 1130 are available; in addition, a terminal links the centre with powerful outside computers, enabling the company to undertake the most complex assignments.

## Inspection

Metaltech Inspection Ltd., as its name suggests, is "the inspection arm" of the SNC Group, ensuring quality control of purchased materials, machinery and equipment. The company is staffed and equipped to carry out all types of surveillance procedures, including advanced methods of non-destructive testing.

In addition to its work within the Group, Metaltech carries out feasibility studies and plant inspection, as well as the investigation of machinery and equipment defects. It also undertakes experimental stress analysis of mechanical and structural components.



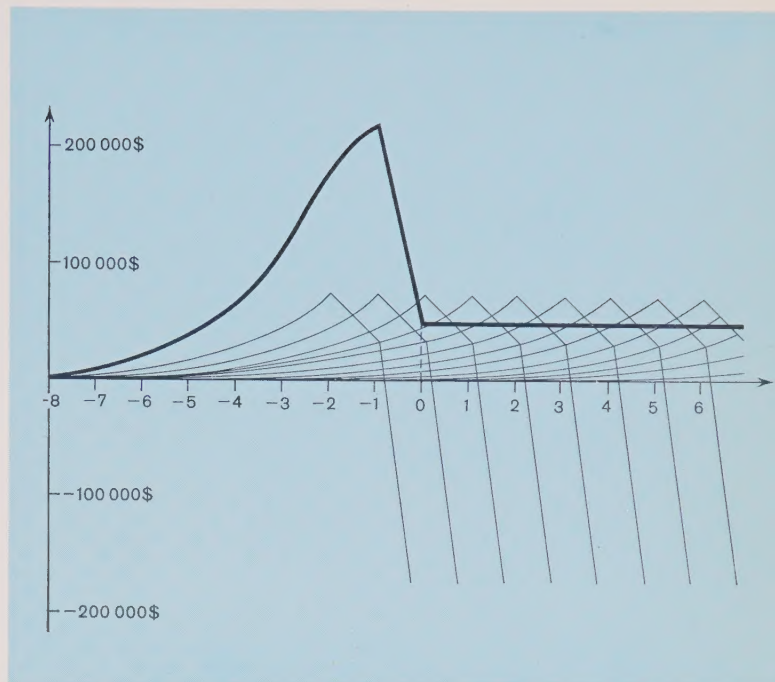


## Economic planning Operations research

In the decision-making process of any major venture, economic and operations research plays an increasingly important role. Leadership in this area comes from Sorès Inc., a research organization which applies scientific principles to planning and to the solution of problems encountered in business and government.

Sorès makes considerable use of mathematical models and other advanced methods in a remarkable variety of assignments — for example, transportation, regional development and market studies; even for such unlikely applications as camping site projections and social aid programs.

The company's unique mélange of scientific, engineering, mathematical and marketing skills is proving valuable to an increasing variety of clients.



## Systems

Demers, Gordon, Baby (DGB) furnishes a complete range of skills in the design and implementation of information systems. The company maintains specialists in system design and analysis, computer hardware and software, statistics and operations research. These services are backed by a broad general experience in engineering and business administration.

## Telecommunications

DGB also possesses a considerable background in telecommunications systems for commercial and governmental applications. Assignments have included a multi-channel radiomobile communications system for the Montreal Police Department, the security communications system for Expo '67 and numerous radio broadcasting facilities.

The communications tower on top of Mount Royal in Montreal, shown alongside, illustrates the complex electromagnetic environment within which DGB has studied problems of intermodulation and interference.







## THE SNC GROUP

SNC Enterprises Ltd. is a group of service organizations in which SNC Inc. is the founder member. Other associates and affiliates are as follows:

CANATOM LIMITED — Consultants to the nuclear power industry.

DEKA — Consulting Services, Germany.

DEMERS, GORDON, BABY LTD. — Systems engineering and telecommunications.

EXPLORATECH LTD. — Geological, petroleum and mineral investigations.

GENERAL ENGINEERING COMPANY INC. (GECO) — Mining and mineral processing consultants.

GEPAC CONSULTANTS LTD. — Consultants: power, general industry and natural resources.

INTERNATIONAL AIRPORT CONSULTANTS OF MONTREAL LTD. (C.A.I.M.) — Aviation technology

METALTECH INSPECTION LTD. — Inspection, testing, welding and investigations.

PENTAGON CONSTRUCTION (1969) CO. LTD. — General contractors; turnkey and design/build projects.

SNC COMPUTATION LTD. — Comprehensive data processing services for commercial, engineering and scientific applications.

SNC CONSULTANTS ONTARIO LTD. — General consulting and construction services.

SNC INTERNATIONAL LTD. — International consulting services.

SNC PROTEIN CONSULTANTS LTD. — Food technology.

SNC-RUST LTD. — Serving the forest products industry.

SNC SERVICES LTD. — Design/procure/construct services to the process industry.

SORES INC. — Socio-economic studies; operations research; market research.

TERRATECH LTD. — Soil mechanics, inspection and foundation engineering.

Offices in Canada: Vancouver, Toronto, Montreal, Quebec City, Sept-Îles, Moncton  
Offices and representatives abroad: Algeria, England, France, Germany, Greece, Nigeria, Turkey.